

Financial Results for the Year Ended March 31, 2020

April 30, 2020
Sojitz Corporation

Index

FY2019 Financial Results and Progress of Medium-Term Management Plan 2020 ~Commitment to Growth~

【Supplemental Data】

- I . Financial Results for the Year Ended March 31,2020
- II . Segment Information
- III . Summary of Financial Results

Caution regarding Forward-looking Statements

This document contains forward-looking statements based on information available to the company at the time of disclosure and certain assumptions that management believes to be reasonable. Based on the information available as of March 31, 2020, the Company assumes that the current situation surrounding the global COVID-19 pandemic will continue until the end of June,2020, and forward-looking statements are founded on this assumption. Actual results may differ materially based on various factors including the timing at which the COVID-19 pandemic ends; changes in economic conditions in key markets, both in and outside of Japan; and exchange rate movements. The Company will provide timely disclosure of any material changes, events, or other relevant issues.

FY2019 Financial Results and
Progress of Medium-Term Management Plan 2020
~Commitment to Growth~



Progress of Medium-Term Management Plan 2020

- FY2019 performance impacted by global economic slowdown stemming from U.S.-China trade friction and slowdown in Chinese economy
- FY2020 forecasts project massive deterioration of economic conditions and need for ongoing vigilance in face of COVID-19 pandemic
- Steady growth to be pursued by producing earnings through investments and loans in preparation for the next medium-term management plan

Medium-Term Management Plan 2020
Financial Targets

Profit growth of approx. 10% from the previous year	Profit for the year: ¥75.0 billion or more
ROA: 3% or above	ROE: 10% or above
Positive core cash flow over medium-term management plan period	NET DER: 1.5 times or lower



Progress in the second year of
Medium-term Management Plan 2020

Unachieved	Profit for the year: ¥60.8 billion
ROA 2.7%	ROE 10.2%
Investments and loans: As planned Core cash flow : Positive	Net DER 1.06 times

- FY2019 year end dividend of ¥8.5 (annual dividend of ¥17)
(will be determined at general shareholders' meeting in June, 2020)

FY2019 Summary

- Profit for the year down ¥60.8 billion due to global economic slowdown and market condition deterioration
- Earnings contributions realized through non-resource and other new investments and loans, exhaustive cost reviews implemented, and steady progress made in asset replacements

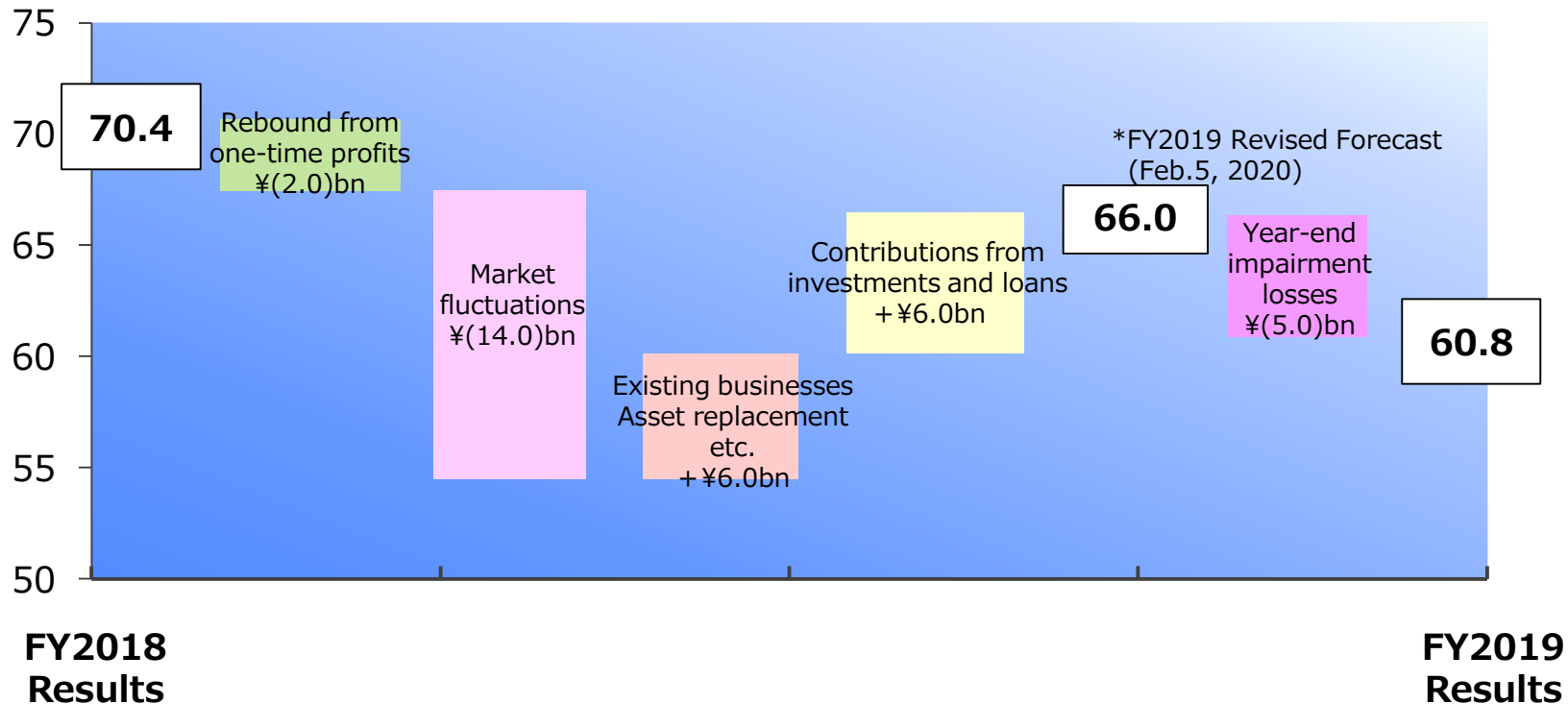
	FY2018 Results	FY2019 Results	Difference
Profit for the year (attributable to owners of the Company)	¥70.4bn	¥60.8bn	¥(9.6)bn
ROA	3.0%	2.7%	(0.3)%
ROE	11.7%	10.2%	(1.5)%
Dividend	¥17	¥17	—
Total Equity	¥618.2bn	¥579.1bn	¥(39.1)bn
Net DER (times)	0.95	1.06	+0.11
Investment and Loans	¥91.0bn	¥81.0bn	¥(10.0)bn

(Billions of Yen)	FY2018 Results	FY2019 Results
Automotive	6.4	2.4
Aerospace & Transportation Project	4.0	1.8
Machinery & Medical Infrastructure	2.8	4.6
Energy & Social Infrastructure	5.8	9.6
Metals & Mineral Resources	30.5	20.1
Chemicals	9.0	9.3
Foods & Agriculture Business	2.3	1.4
Retail & Lifestyle Business	5.7	6.0
Industrial Infrastructure & Urban Development	1.1	1.5
Other	2.8	4.1
Total	70.4	60.8

FY2019 Results

- In line with revised forecast of ¥66.0 billion when excluding extraordinary factors
- Profit for the year approx. 8% lower than forecast due to impairment losses recorded following year-end market deterioration

(Billions of Yen) Note: Profit for the year (attributable to owners of the Company)



FY2020 Forecast ①

- Global economic slowdown anticipated due to unprecedented COVID-19 impact and other factors
- Formulation forecasts assuming that the current conditions will continue for another 3 months (until the end of June, 2020)
- Structural reform expenses of ¥(5.0) billion incorporated into forecasts
- Steady progress in investment and loan value improvement and asset replacement

	FY2019 Results	FY2020 Forecast	Difference
Profit for the year*	¥60.8bn	¥40.0bn	¥(20.8)bn
ROA	2.7%	1.8%	(0.9)%
ROE	10.2%	6.8%	(3.4)%
Dividend	¥17	Undecided	

(*)Profit attributable to owners of the Company

Commodity Prices and Interest Rate

	FY2019 Results	FY2020 Forecast
Exchange rate	¥108.9/US\$	¥108.0/US\$
Thermal coal	US\$70.7/t	US\$63.8/t
Interest rate (Tibor)	0.07%	0.10%

Profit for the year by segment

(Billions of Yen)	FY2019 Results	FY2020 Forecast
Automotive	2.4	1.0
Aerospace & Transportation Project	1.8	6.0
Machinery & Medical Infrastructure	4.6	3.5
Energy & Social Infrastructure	9.6	3.5
Metals & Mineral Resources	20.1	13.0
Chemicals	9.3	5.0
Foods & Agriculture Business	1.4	3.0
Retail & Lifestyle Business	6.0	5.5
Industrial Infrastructure & Urban Development	1.5	0.5
Other	4.1	(1.0)
Total	60.8	40.0

Structural reform expenses of ¥(5.0) billion incorporated into forecasts

Effects of COVID-19 Pandemic

Current conditions arising from COVID-19 projected to continue until the end of June, 2020, reducing Sojitz's earnings by ¥23.0 billion

- Full-year forecasts for FY2020 calling for 20% of sales to be generated in first half of fiscal year and 80% to be generated in second half.
- In addition to the above, downward pressure on earnings of ¥8.0 billion should current conditions continue for an additional month.
- Need for continued focus on global environmental trends and impacts on Sojitz's business stemming from COVID-19 pandemic

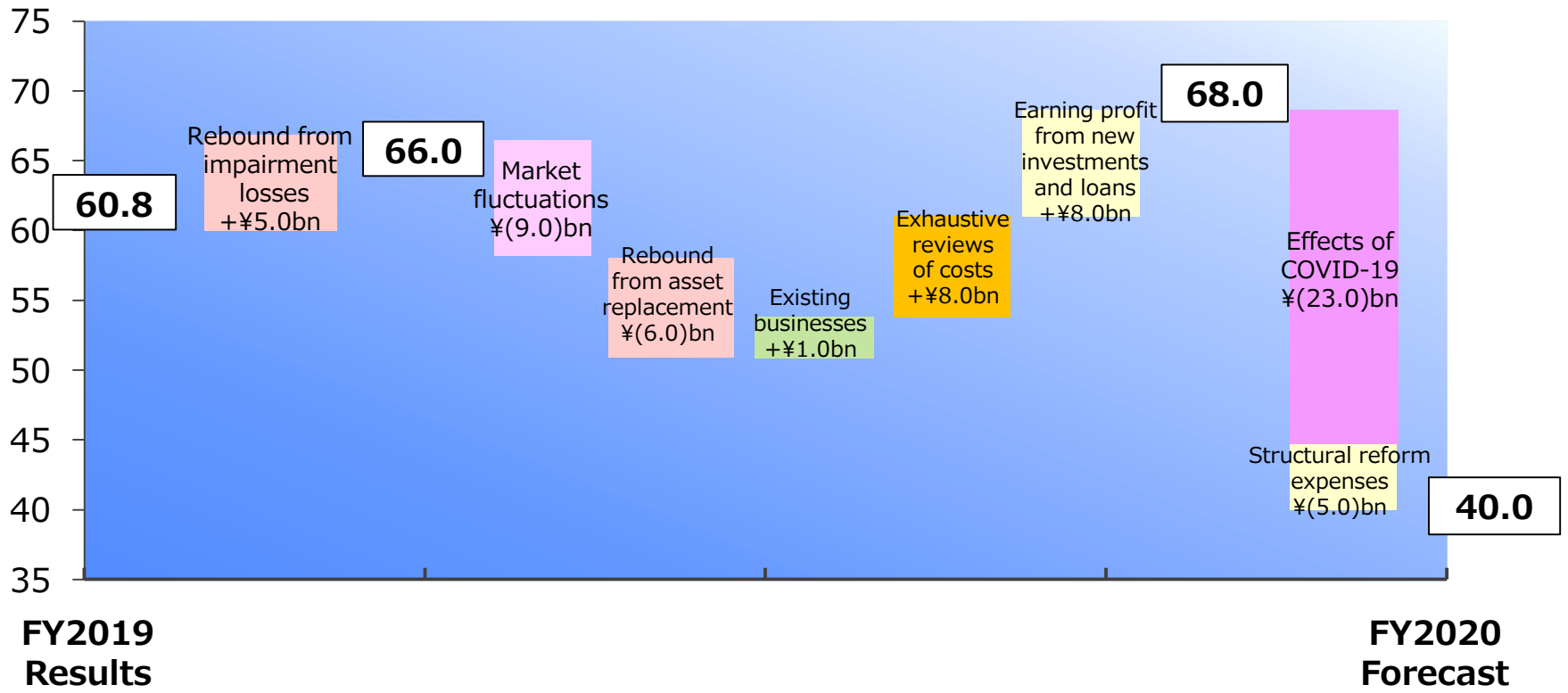
Main Businesses	Current Condition	Assumptions Underpinning Performance Forecasts
Automotive	Temporary store closures resulting from lockdowns and stay-at-home requests seen worldwide	<ul style="list-style-type: none"> • Ongoing halts to shipments and sales • Exhaustive SG&A expense reviews, inventory adjustments, etc. • Preparations for future resumptions in shipments and sales
Material (Steel·Chemicals)	Declines in material-related demand following industry stagnancy	
Retail (Consumer Products etc.)	Closures of commercial facilities and stores and consumption downturns as a result of stay -at-home requests seen worldwide	

- Surgical mask production system comprised of domestic subsidiaries developed as form of social contribution, mask currently being used in certain facilities constructed through overseas hospital projects

FY2020 Forecast ②

Exhaustive cost reductions and improvement of value of investments, loans, and other assets achieved despite difficult operating environment

(Billions of Yen) Note: Profit for the year (attributable to owners of the Company)

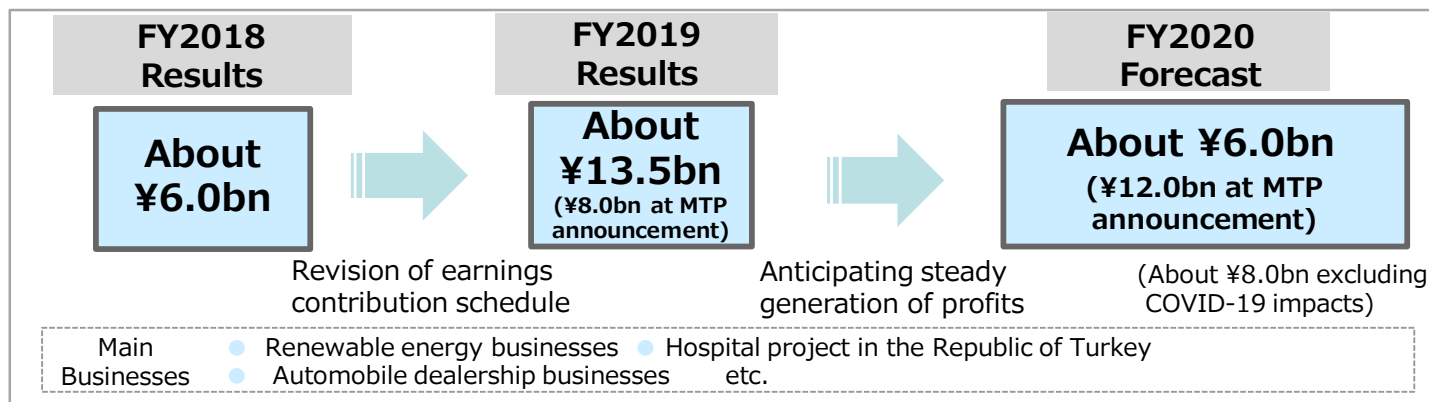
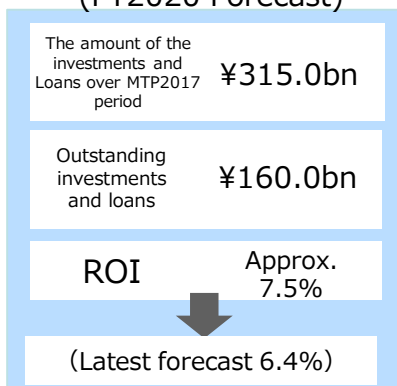


Earning Contributions from Investments and Loans

Continued growth of investments and loans despite impacts of delays in earnings contribution

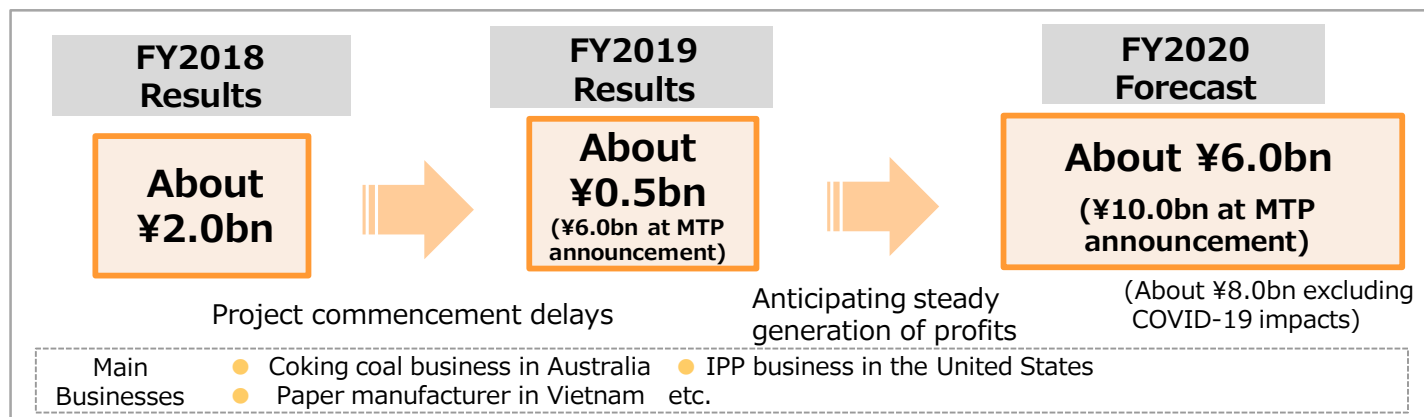
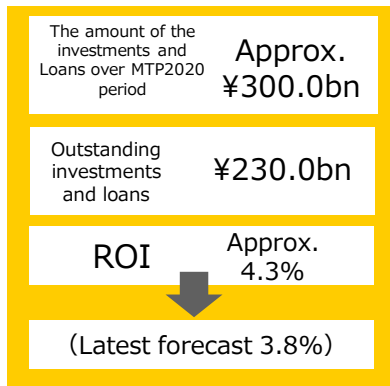
Medium-Term Management Plan 2017

(FY2020 Forecast)



Medium-Term Management Plan 2020

(FY2020 Forecast)



Cash Flow Management

**Positive three-year aggregate FCF and core cash flow
Funding to be secured using on-hand funds as well as long-term
commitment lines denominated in yen and other currencies**

	FY2018 Results	FY2019 Results	MTP 2020 3-year total (FY2018–FY2020)
Core operating cash flow (*1)	¥79.0bn	¥80.0bn	About ¥210.0bn
Asset Replacement (Investment recovery)	¥92.0bn	¥35.0bn	About ¥190.0bn
New investments and loans others	¥(91.0)bn	¥(81.0)bn	About ¥(270.0) bn
Shareholder Returns others (*2)	¥(17.0)bn	¥(33.0)bn	—
Core cash flow (*3)	¥63.0bn	¥1.0bn	Positive
Free cash flow	¥54.0bn	¥5.0bn	Positive

*1. Core operating cash flow = Net cash provided by (used in) operating activities – Changes in working capital

*2. 3-year total and FY2019 results include acquisition of treasury stock.

No figure is provided for the three-year total as the forecast for the FY2020 dividend has yet to be decided.

*3. Core cash flow = Core operating cash flow (excluding changes in working capital) + Investing cash flow (including asset replacement)
– Dividends paid – Purchase of treasury stock

Initiatives for Sustainability

Long-Term Vision : Sustainability Challenges

We aim to create sustainable growth for both Sojitz and society by working to help achieve a decarbonized society through our business activities, and by responding to human rights issues, including those within our supply chains.

Position Medium-Term Management Plan 2020 as a period for preparing to address sustainability challenges and grow business to contribute to the realization of a low-carbon society over the next decade while stepping up initiatives to guarantee human rights are always respected

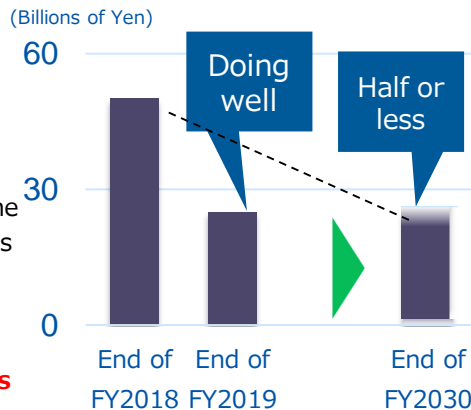
Progress of Sustainability Challenges

Policies for initiatives related to the coal equity business and the coal-fired power generation business

- ✓ Reducing the assets of our thermal coal equity to **half or less by 2030**
- ✓ In principle, **not acquiring new thermal coal equity**
- ✓ Not undertaking new initiatives in the coal-fired power generation business (we have no current projects)

→ **Sold a part of thermal coal interests on the basis of this policies**

Progress (Change in Thermal Coal Interests Assets)



ESG Rating

Major Indexes

- ✓ Sojitz was selected as a constituent of the “DJSI” and “FTSE”, both internationally-recognized, for second consecutive years.
- ✓ Sojitz has been selected for a Silver Class Sustainability Award by USA company S&P Global for the second consecutive years.

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM



FTSE4Good

SAM
Sustainability Award Silver Class 2020



FTSE Blossom Japan

empowering women in the workplace

- ✓ Nadeshiko Brand : First Trading Company to be selected for Fourth Consecutive Year
- ✓ MSCI Japan Empowering WIN : Selected for Third Consecutive Year



MSCI Japan Empowering Women Index (WIN)

Strengthening Our Governance Systems

■ Basic Concept

Sojitz strives to improve its corporate value over the medium to long term based on the “Sojitz Group Statement.” In order to materialize this, based on its belief that the enhancement of its corporate governance is an important issue of management, Sojitz has built the following corporate governance structure in its effort to establish a highly sound, transparent and effective management structure, while also working toward the fulfillment of its management responsibilities and accountability to its shareholders and other stakeholders.

Example of efforts in Medium-Term Management Plan 2020

FY2018~FY2019

➤ Introduction of performance-linked share remuneration for corporate officers

→ Highly transparent compensation systems to increase willingness to increase corporate value and commitment to improving the company’s medium and long-term results



FY2020

(at the end of Shareholder’s Meeting)

➤ Increase Outside Directors

Inside	Outside	Inside	Outside
4	2	4	3
(1 Woman)		(2 Woman)	

(※will be submitted to general shareholders’ meeting on 18 June, 2020)

→ Improvement of managerial transparency and enhancement of corporate governance

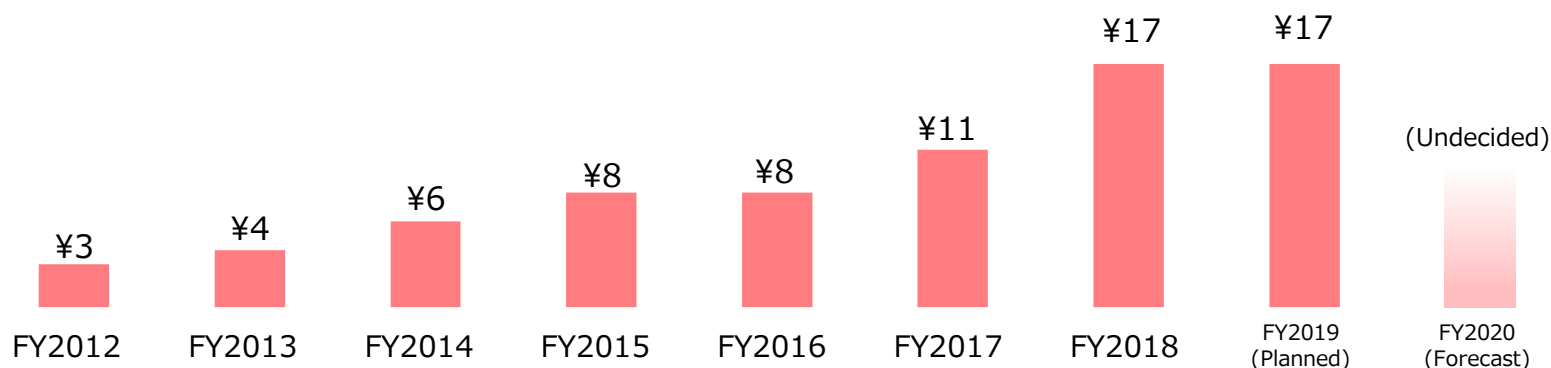
Dividend Policy

■ Basic Dividend Policy

Sojitz recognizes that paying stable, continuous dividends is a management priority, together with enhancing shareholder value and boosting competitiveness through the accumulation and effective use of retained earnings.

Under MTP2020, our basis policy will be to target a consolidated payout ratio of about 30%.

- Sojitz has chosen not to announce dividend forecast for the year ending March 31, 2021 in light of the following consolidated performance forecasts. Based on basic policy, prompt notification will be provided when the dividend forecast for the year ending March 31, 2021, is decided based on the timing at the COVID-19 pandemic ends and business progress.




Profit for the year (attributable to owners of the Company)	¥13.4bn	¥27.3bn	¥33.1bn	¥36.5bn	¥40.8bn	¥56.8bn	¥70.4bn	¥60.8bn	¥40.0bn
Consolidated payout ratio	28%	18%	23%	27%	25%	24%	30.2%	34.5%	Approx. 30.0%

MTP 2014
payout ratio of about 20%

MTP 2017
payout ratio of about 25%

MTP 2020
payout ratio of about 30%

【Supplemental Data】

- I . Financial Results for the Year Ended March 31,2020
 - Financial Forecast for the Year Ended March 31,2021
- 

Summary of Profit or Loss

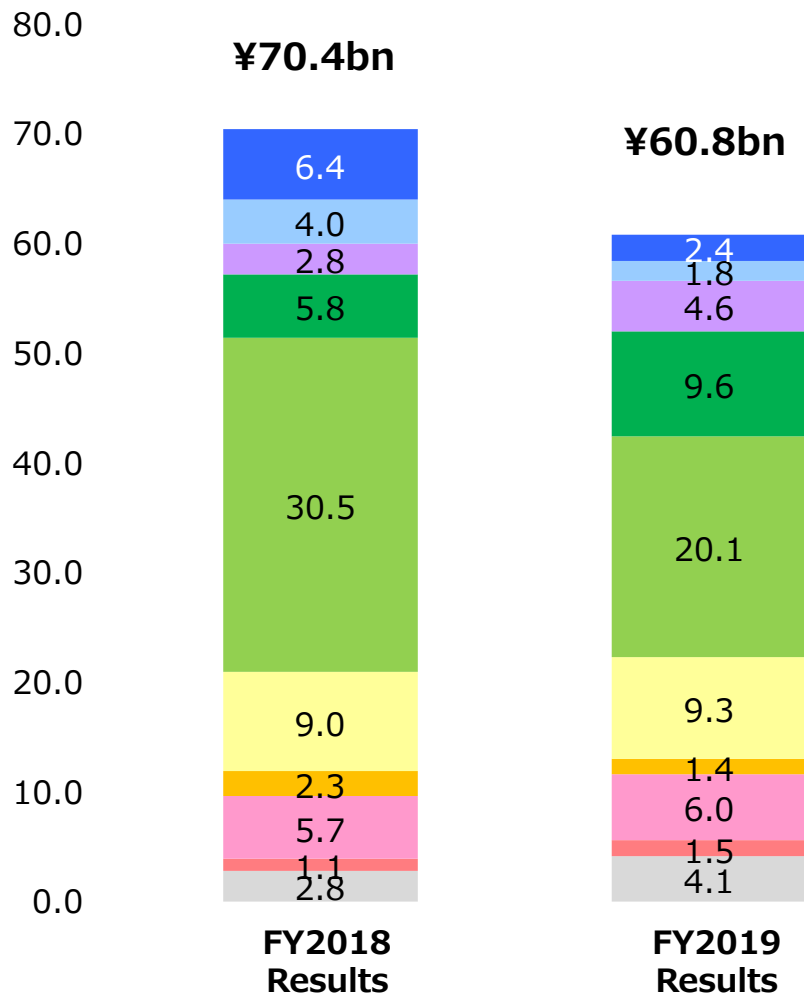
(Billions of yen)	FY2018 Results	FY2019 Results	Difference	FY2019 Revised Forecast (Feb. 5, 2020)	Achieved	FY2020 Forecast
Revenue	1,856.2	1,754.8	(101.4)	—	—	—
Gross profit	241.0	220.5	(20.5)	230.0	96%	210.0
Selling, general and administrative expenses	(173.4)	(173.2)	+0.2	(175.0)	—	(165.0)
Share of profit (loss) of investments accounted for using the equity method	27.8	24.9	(2.9)	26.0	96%	18.0
Profit before tax	94.9	75.5	(19.4)	82.0	92%	56.0
Profit for the Year Attributable to Owners of the Company	70.4	60.8	(9.6)	66.0	92%	40.0
Core earnings	93.2	68.4	(24.8)	76.0	92%	58.0

Summary of Profit or Loss

Profit for the Year by Segment

Profit for the year (attributable to owners of the Company) by segment

(Billions of Yen)



Factor behind year on year change in earnings

- Automotive ¥ 2.4 billion (down ¥(4.0) billion YoY)**
 Decreased due to absence of gain on sales of automotive business company in the previous fiscal year coupled with decreases in the sales of overseas automotive business companies
- Aerospace & Transportation Project ¥ 1.8 billion (down ¥(2.2) billion YoY)**
 Decreased due to impairment losses on Company-owned ships and rebound from gains on sales of aircrafts recorded in the previous fiscal year
- Machinery & Medical Infrastructure ¥ 4.6billion (up ¥ 1.8 billion YoY)**
 Increased due to higher sales volumes from medical infrastructure business and industrial machinery transactions
- Energy & Social Infrastructure ¥ 9.6billion (up ¥ 3.8 billion YoY)**
 Despite year-end impairment losses of oil and gas interests, increased due to gains on asset replacement in power generation businesses and tax breaks for U.S. subsidiaries.
- Metals & Mineral Resource ¥ 20.1 billion (down ¥(10.4) billion YoY)**
 Decreased due to fall in sales prices in overseas coal business
- Chemicals ¥ 9.3billion (up ¥ 0.3 billion YoY)**
 Relatively unchanged year on year
- Foods & Agriculture Business ¥ 1.4 billion (down ¥(0.9) billion YoY)**
 Decreased due to impairment loss on domestic marine products business and lower sales volumes in overseas fertilizer businesses stemming from unseasonable weather and reduced demand
- Retail & Lifestyle Business ¥ 6.0billion (up ¥ 0.3 billion YoY)**
 Relatively unchanged year on year
- Industrial Infrastructure & Urban Development ¥ 1.5 billion (up ¥ 0.4 billion YoY)**
 Increased due to higher number of overseas industrial parks delivered
- Other ¥ 4.1 billion (up ¥ 1.3 billion YoY)**

FY2019 Forecast

Profit for the Year by Segment

(Billions of Yen)	FY2019 Results	FY2020 Forecast
Automotive	2.4	1.0
Aerospace & Transportation Project	1.8	6.0
Machinery & Medical Infrastructure	4.6	3.5
Energy & Social Infrastructure	9.6	3.5
Metals & Mineral Resource	20.1	13.0
Chemicals	9.3	5.0
Foods & Agriculture Business	1.4	3.0
Retail & Lifestyle Business	6.0	5.5
Industrial Infrastructure & Urban Development	1.5	0.5
Other	4.1	(1.0)
Total	60.8	40.0

Progress Overview

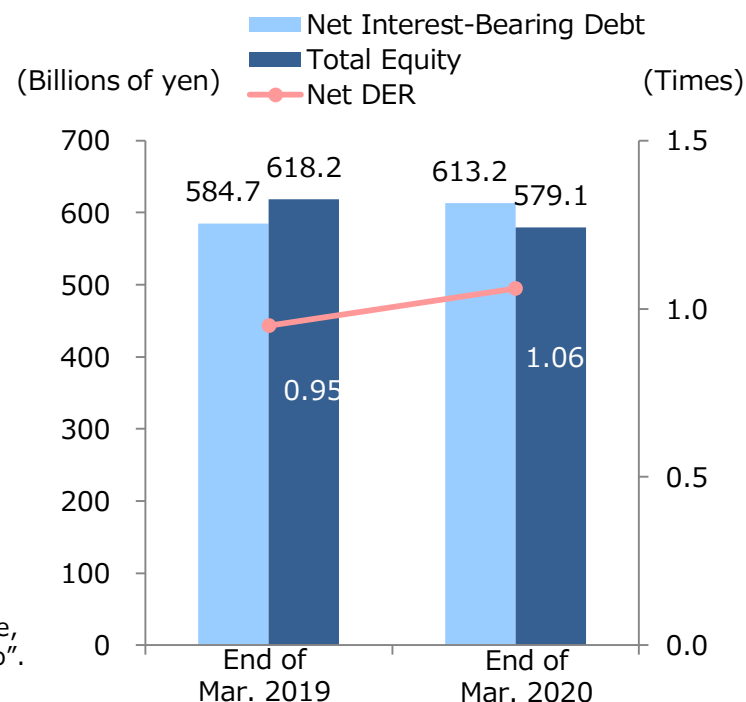
- Automotive ¥ 1.0 billion**
 Ongoing stagnancy in automobile sales and shipments projected following reductions in demand and temporary halts in operation
- Aerospace & Transportation Project ¥ 6.0 billion**
 Increase due to benefits of large-scale aircraft business projects delayed from the previous fiscal year and absence of impairment losses recorded on Company-owned ships in the previous fiscal year
- Machinery & Medical Infrastructure ¥ 3.5 billion**
 Decrease due to reduced global demand for machinery transactions and domestic and overseas associates
- Energy & Social Infrastructure ¥ 3.5 billion**
 Decrease due to reduced crude oil price and rebound from asset replacement activities conducted in previous fiscal year
- Metals & Mineral Resource ¥ 13.0 billion**
 Decrease due to sluggish steel demand, poor coal market conditions, and absence of gains on sales of overseas coal assets recorded in the previous fiscal year
- Chemicals ¥ 5.0 billion**
 Decrease greatly due to poor market conditions and reduced sales volumes for chemical products
- Foods & Agriculture Business ¥ 3.0 billion**
 Increase, despite ongoing stagnancy in overseas fertilizer businesses, as a result of absence of one-time losses recorded in the previous fiscal year
- Retail & Lifestyle Business ¥ 5.5 billion**
 Earnings projected to be generated by domestic and overseas subsidiaries despite halted operation of certain commercial facilities and reduced demand in textile and other businesses
- Industrial Infrastructure & Urban Development ¥ 0.5 billion**
 Decrease in turn overs of overseas industrial parks and domestic real estate held for sales purposes

Summary of Balance Sheets

(Billions of Yen)	End of Mar. 2019	End of Mar. 2020	Difference
Total Assets	2,297.1	2,230.3	(66.8)
Total equity*1	618.2	579.1	(39.1)
Equity Ratio	26.9%	26.0%	(0.9)%
Net interest-bearing debt	584.7	613.2	+28.5
Net DER (Times)	0.95	1.06	+0.11
Risk Assets vs. Total equity	360.0 0.6 times	380.0 0.7times	+20.0 +0.1times
Current Ratio	157.1%	161.4%	+4.3%
Long-term debt ratio	82.9%	79.1%	(3.8)%

Changes in Total Equity (End of Mar. 2019 vs. End of Mar. 2020, Breakdown)

- Profit for the period attributable to owners of the Company +¥60.8bn
- Dividends paid ¥(22.5)bn
- Purchase of treasury stock ¥(10.0)bn
- Change in foreign exchange rates and stock price ¥(57.8)bn

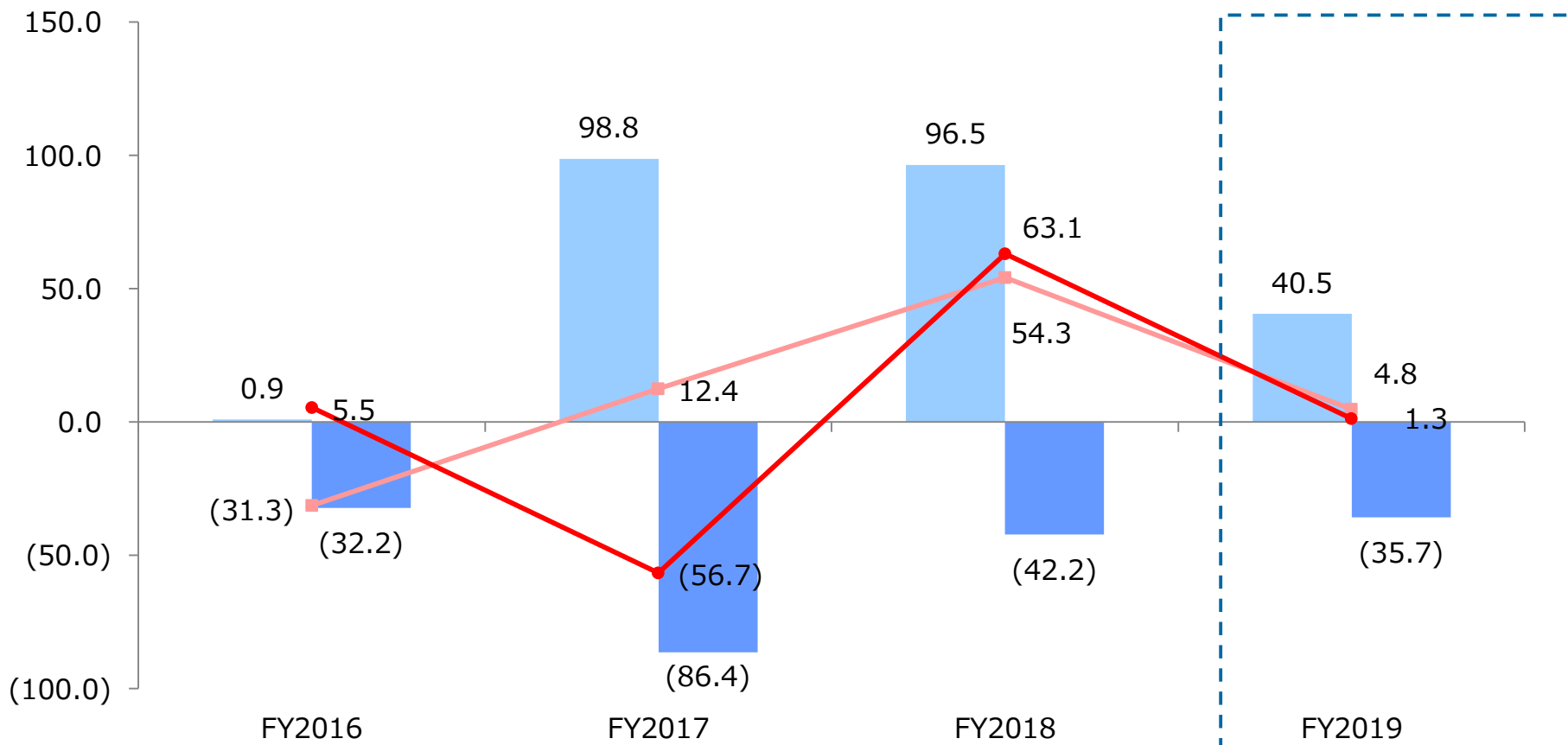


(*1) "Total equity attributable to owners of the Company" is recognized as "Total equity" above, and is also used in the denominator of the "Net DER" and the numerator of the "Equity ratio".

Summary of Free Cash Flows

(Billions of Yen)

Operating Cash Flow Investing Cash Flow FCF Core Cash Flow



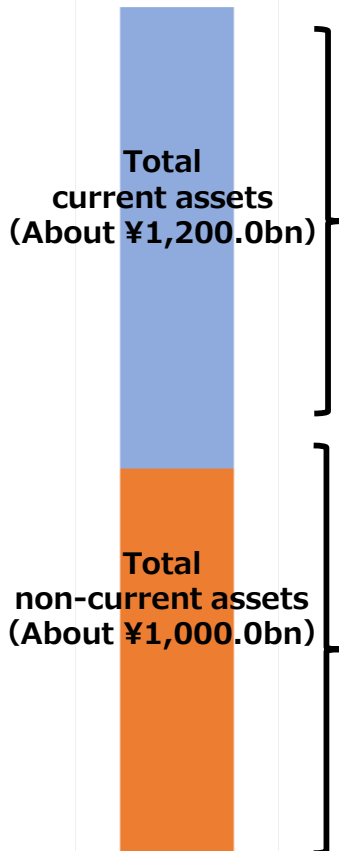
※Core cash flow = Core operating cash flow + Post-adjustment net cash provided by (used in) investing activities – Dividends paid – Purchase of treasury stock (Post-adjustment net cash provided by (used in) investing activities is net cash provided by (used in) investing activities after adjustment for changes in long-term operating assets, etc.)

Investments and Loans and Asset Replacement for FY2019

FY2019 Results	Main Businesses
Investments and Loans	<ul style="list-style-type: none"> ■ Telecommunication infrastructure business in Myanmar ■ Offshore wind power generation operations in Taiwan ■ IPP business in the United States ■ Auto self-financing operations in Mexico ■ Investment in and operation of shopping centers in Japan ■ CAPEX <p style="text-align: right;">etc.</p>
Investments and Loans Results	Approx. ¥81.0bn
Asset Replacement	<ul style="list-style-type: none"> ■ Sales of Australian thermal coal interests ■ Sales of domestic power generation business ■ Recovery of investment in IPP business in the United States ■ Sales of aircraft ■ Sales of domestic real estate <p style="text-align: right;">etc.</p>
Asset Replacement Results	Approx. ¥38.0bn

Breakdown of Assets

**FY2019
Total Assets
About ¥2,200.0bn**



Trade and other receivables
(About ¥640.0bn)

Inventory
(About ¥210.0bn)

Cash in bank, Other
(About ¥350.0bn)

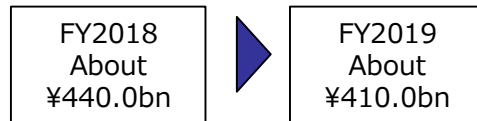
About ¥410.0bn
(Resource interests,
Fixed assets, Goodwill)

About ¥590.0bn
(Share of investments
accounted for using the
equity method*,
Leased assets, etc.)

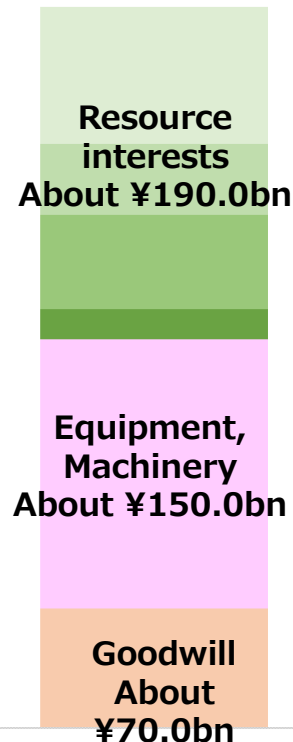
* Except for Resource interests

**Major breakdown
as right**

**Balance of
Fixed assets and Goodwill**



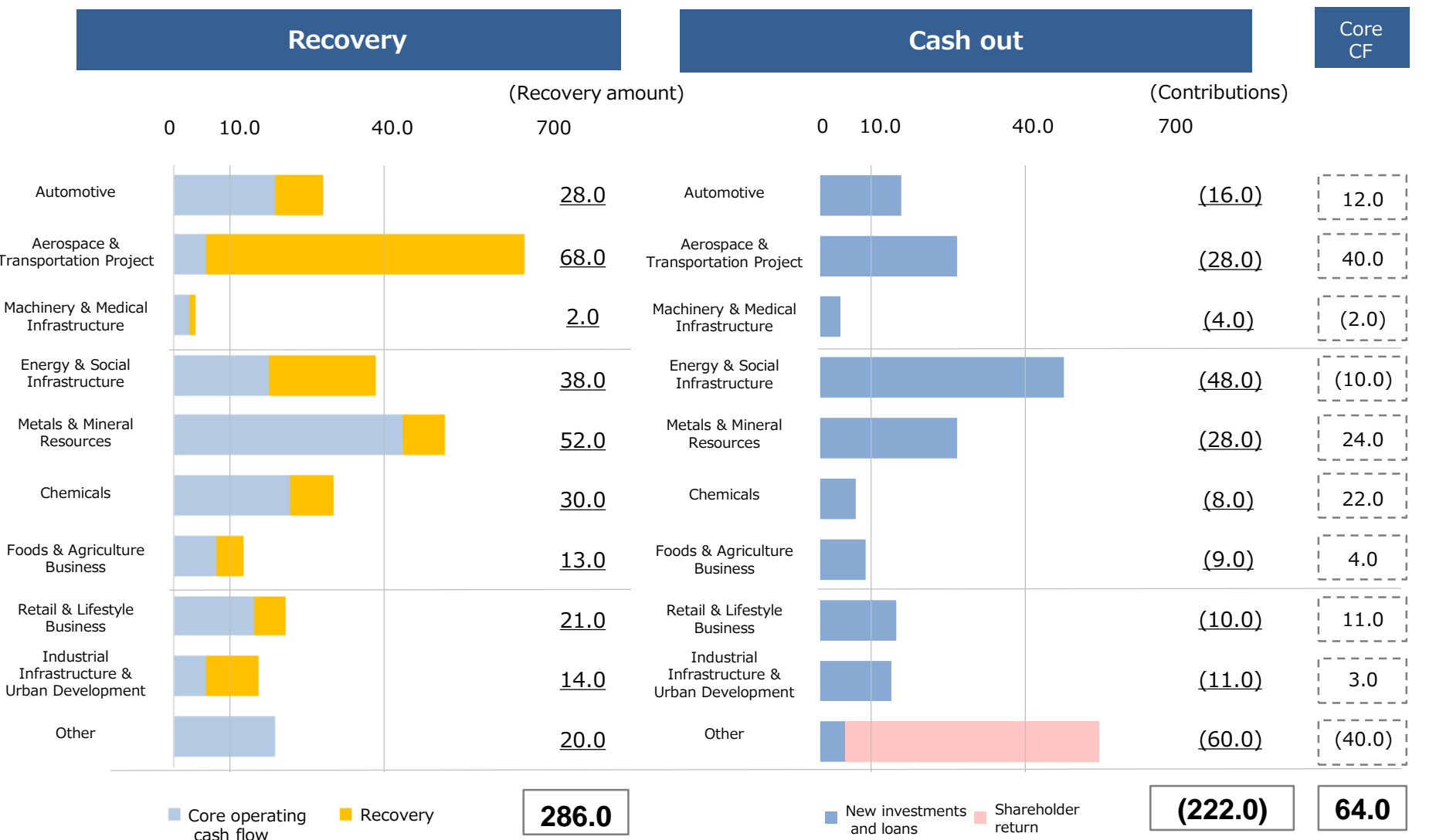
**FY2019
Total
About ¥410.0bn**



Ferroalloys and non-ferrous metals	¥75.0bn
Coal	¥40.0bn
LNG	¥55.0bn
Oil and Gas	¥20.0bn
Equipment, Machinery	¥150.0bn
Goodwill	¥70.0bn

Balance Sheet and Cash Flow Management

(Billions of yen)



Major One-time Gain/Loss for the Year

	FY2018 Results		FY2019 Results	
Non-Resource	¥ 1.5 billion	<ul style="list-style-type: none"> • Sale of automobile-related companies • Sales of aircraft <p>etc.</p>	¥ (1.5) billion	<ul style="list-style-type: none"> • Impairment loss on Company-owned ships • Impairment loss on domestic marine products business • Gain on sales of domestic real estate • Gain on sales of overseas power generation project <p>etc.</p>
Resource	¥ 0.4 billion	<ul style="list-style-type: none"> • Sale of oil and gas interests <p>etc.</p>	¥ 3.0 billion	<ul style="list-style-type: none"> • Gain on sales of Australian thermal coal interests • Gain on exit of oil and gas interests • Impairment loss on oil and Gas interests <p>etc.</p>
Total (After income tax expenses)	¥ 1.9 billion		¥ 1.5 billion	

Resource and Non-Resource Profit

(Billions of yen)	FY2018 Results	FY2019 Results	Difference	Medium-Term Management Plan 2017		
				FY2015 Results	FY2016 Results	FY2017 Results
① Profit for the year (attributable to Owners of the Company)	70.4	60.8	(9.6)	36.5	40.8	56.8
(② Total one-time income movements)	1.9	1.5	(0.4)	0.0	(6.0)	(7.0)
① - ② Profit for the year [(attributable to owners of the Company)] (Excluding one-time income movements)	68.5	59.3	(9.2)	36.5	46.8	63.8
Resource	25.3	10.4	(14.9)	(0.5)	0.3	13.8
Non-Resource	43.2	48.9	+5.7	37.0	46.5	50.0

Commodity Prices, Foreign Exchange, and Interest Rate

	FY2018 Results (Annual Avg.)	FY2019 Results (Annual Avg.)	FY2020 Initial Assumptions (Annual Avg.)	Latest Data (As of April 27, 2020)
Crude oil (Brent)	US\$70.8/bbl	US\$60.9/bbl	US\$25.0/bbl (1H) US\$35.0/bbl (2H)	US\$20.0/bbl
Thermal Coal*1	US\$105.8/t	US\$70.7/t	US\$63.8/t	US\$49.4/t
Coking Coal*1	US\$202.2/t	US\$163.6/t	US\$135.0/t	US\$115.4/t
Exchange Rate *2	¥111.1/US\$	¥108.9/US\$	¥108.0/US\$	¥107.6/US\$
Interest rate (TIBOR)	0.07%	0.07%	0.10%	0.07%

*1 Coal prices are based on standard market prices and therefore differ from the Company's selling prices.

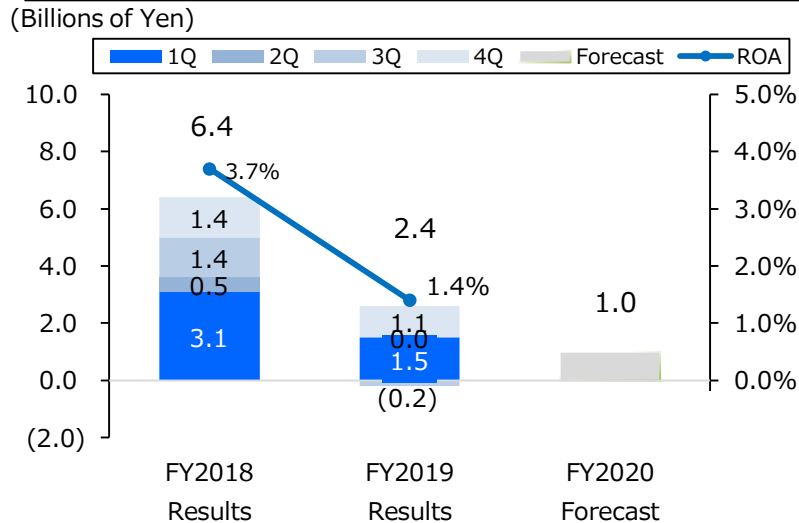
*2 Impact of fluctuations in the exchange rate on earnings: ¥1/US\$ change alters gross profit by approx. ¥0.4 billion annually, profit for the year (attributable to owners of the Company) by approx. ¥0.15 billion annually, and total equity by approx. ¥2.0 billion.

【Supplemental Data】

Ⅱ . Segment Information

Automotive

Profit for the year (attributable to owners of the Company)/ROA



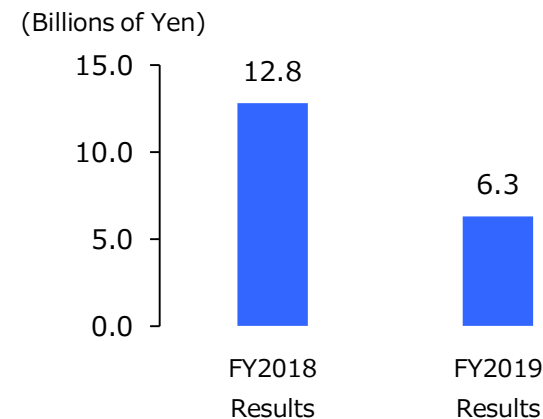
【Factor behind year on year change in earnings】

Decreased due to absence of gain on sales of automotive business company in the previous fiscal year coupled with decreases in the sales of overseas automotive business companies

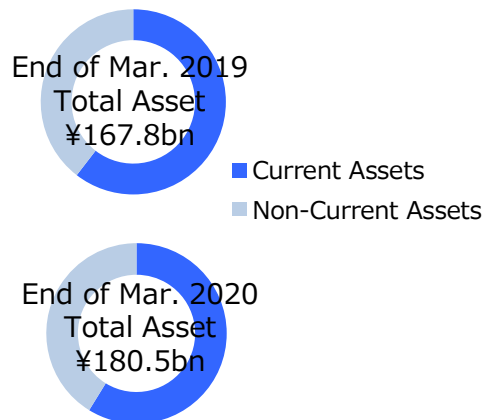
【FY2020 Outlook】

Ongoing stagnancy in automobile sales and shipments projected following reductions in demand and temporary halts in operation

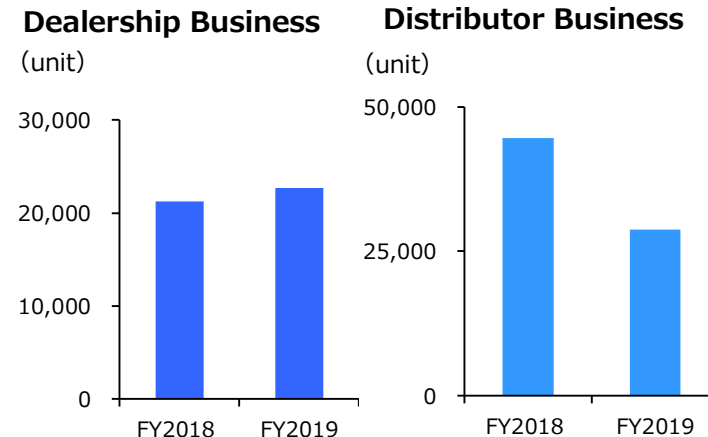
Core operating cash flow



Asset Structure



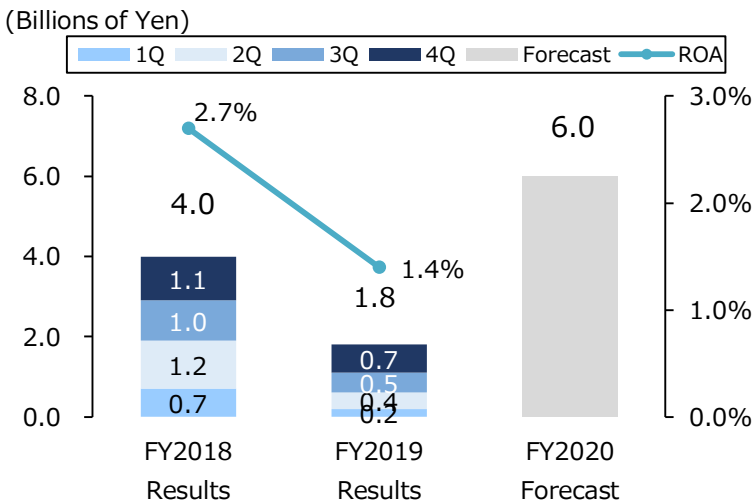
Vehicle Sales



Aerospace & Transportation Project



Profit for the year (attributable to owners of the Company)/ROA



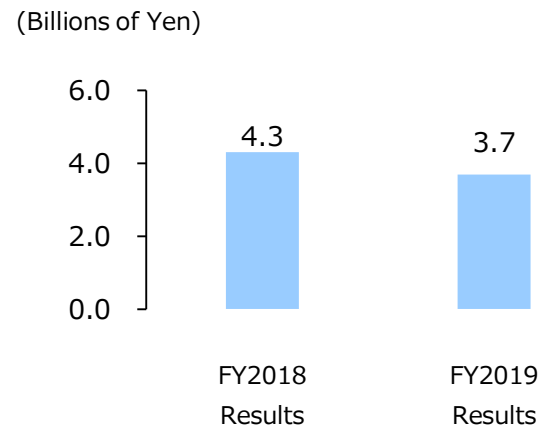
【Factor behind year on year change in earnings】

Decreased due to impairment losses on Company-owned ships and rebound from gains on sales of aircraft recorded in the previous fiscal year

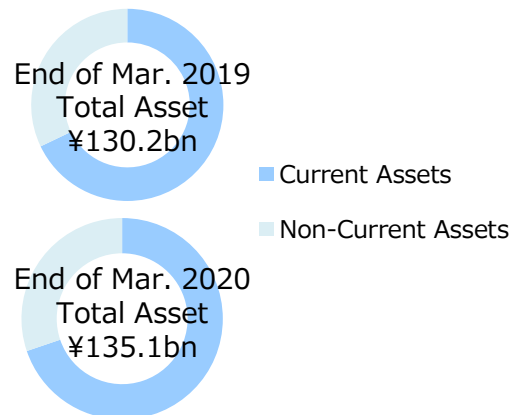
【FY2020 Outlook】

Increase due to benefits of large-scale aircraft business projects delayed from the previous fiscal year and absence of impairment losses recorded on Company-owned ships in the previous fiscal year

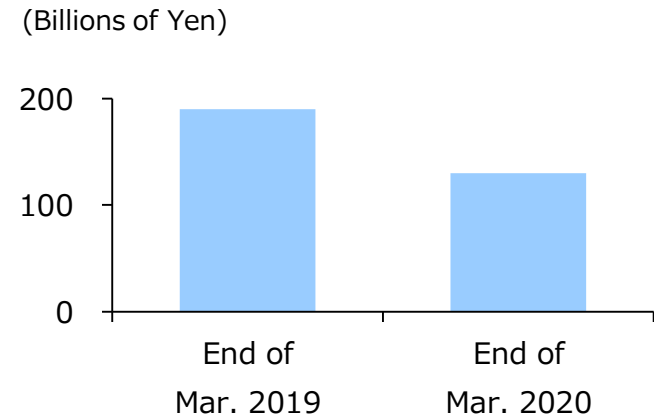
Core operating cash flow



Asset Structure



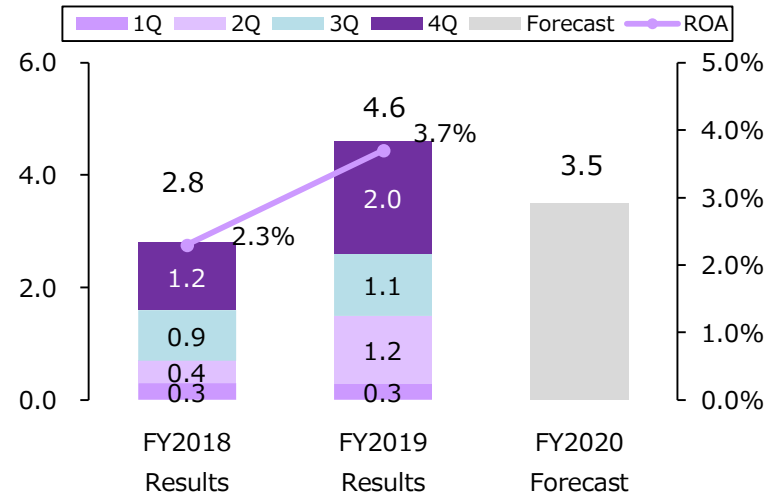
Order Backlog for Railways in India



Machinery & Medical Infrastructure

Profit for the year (attributable to owners of the Company)/ROA

(Billions of Yen)



【Factor behind year on year change in earnings】

Increased due to higher sales volumes from medical infrastructure business and industrial machinery transactions

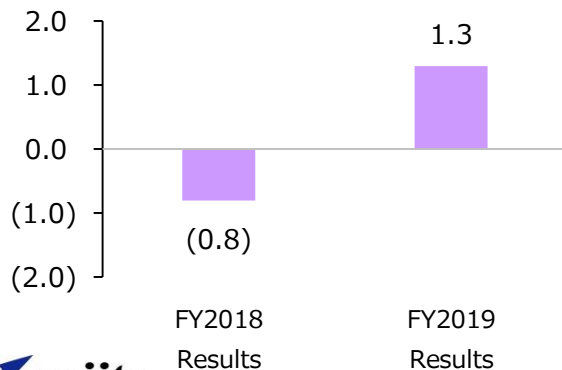
【Progress Overview】

Decrease due to reduced global demand for machinery transactions and domestic and overseas associates

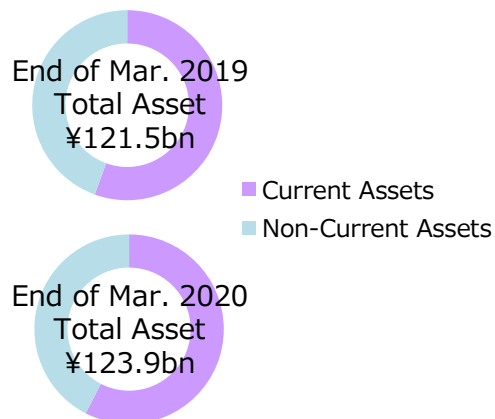


Core operating cash flow

(Billions of Yen)



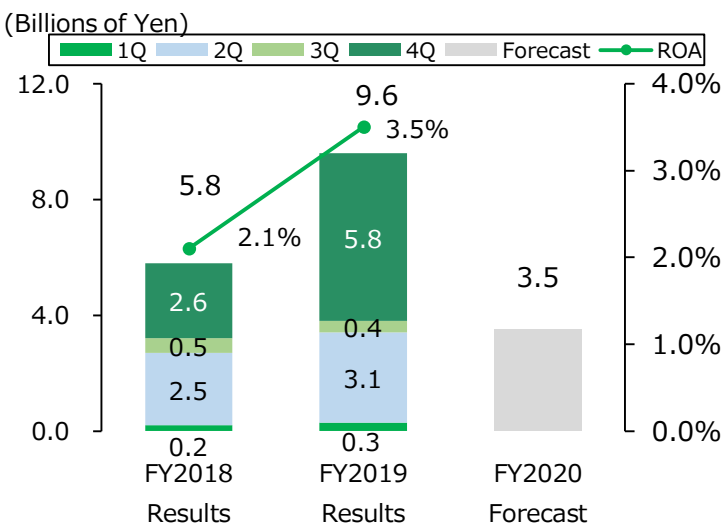
Asset Structure



▶ Smoothly progressing construction project at site of hospital in Turkey
(Completion of construction and start of operations now scheduled for the end of June 2020)

Energy & Social Infrastructure

Profit for the year (attributable to owners of the Company)/ROA



【Factor behind year on year change in earnings】

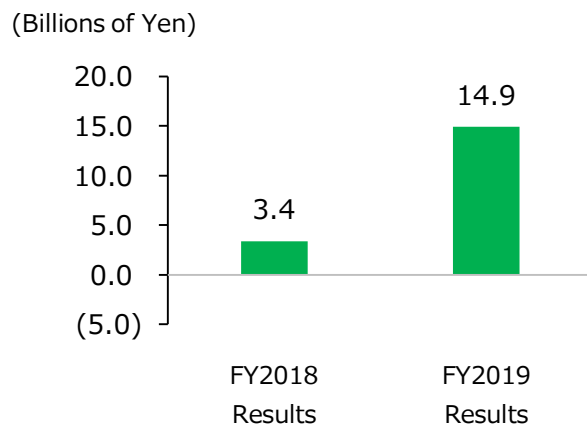
Despite year-end impairment losses of oil and gas interests, increased due to gains on asset replacement in power generation businesses and tax breaks for U.S. subsidiaries

【Progress Overview】

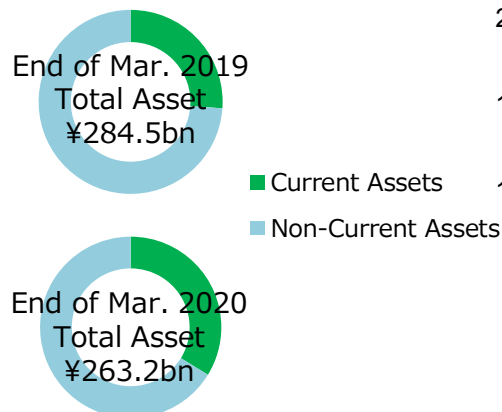
Decrease due to reduced crude oil price and rebound from asset replacement activities conducted in previous fiscal year



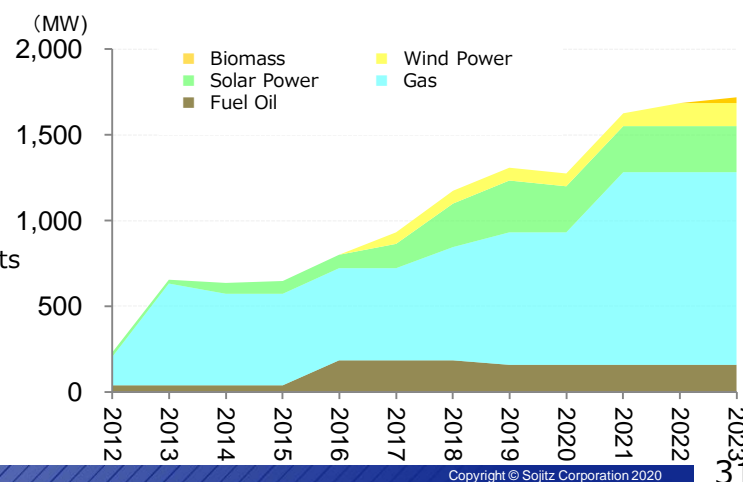
Core operating cash flow



Asset Structure

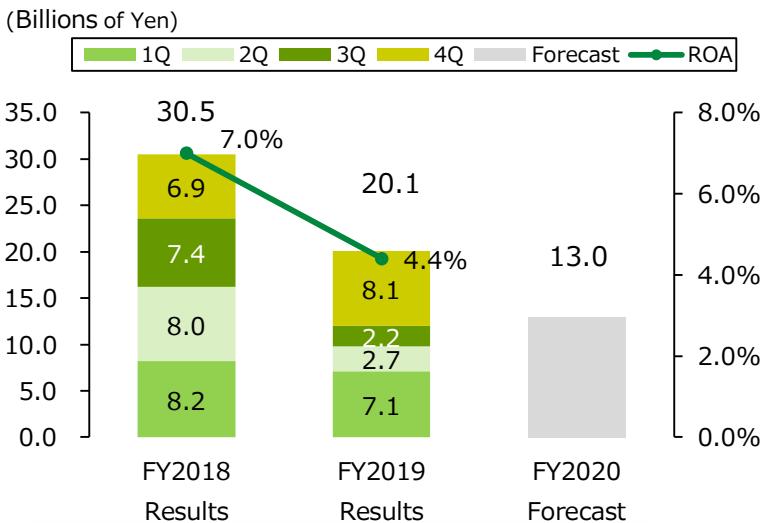


Change in Net Power-Generation Capacity



Metals & Mineral Resources

Profit for the year (attributable to owners of the Company)/ROA

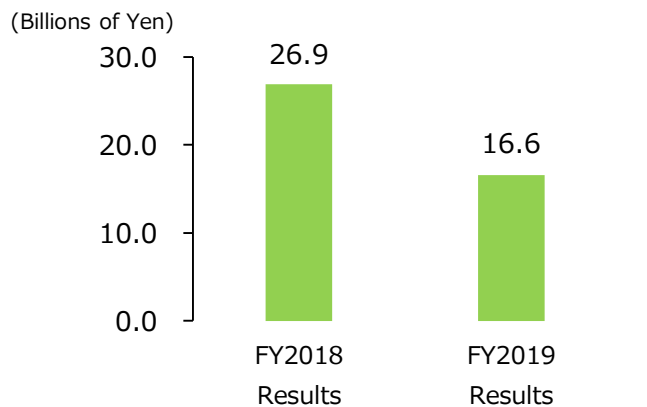


【Factor behind year on year change in earnings】
Decreased due to fall in sales prices in overseas coal business

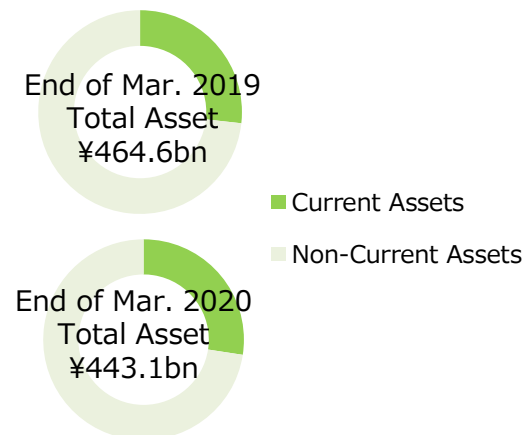
【Progress Overview】
Decrease due to sluggish steel demand, poor coal market conditions, and absence of gains on sales of overseas coal assets recorded in the previous fiscal year



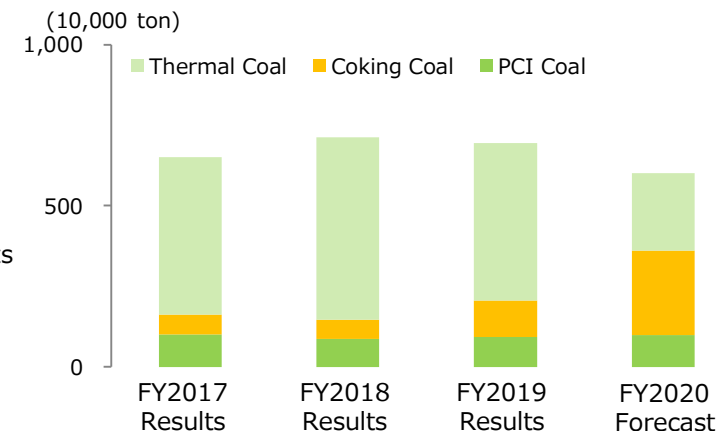
Core operating cash flow



Asset Structure



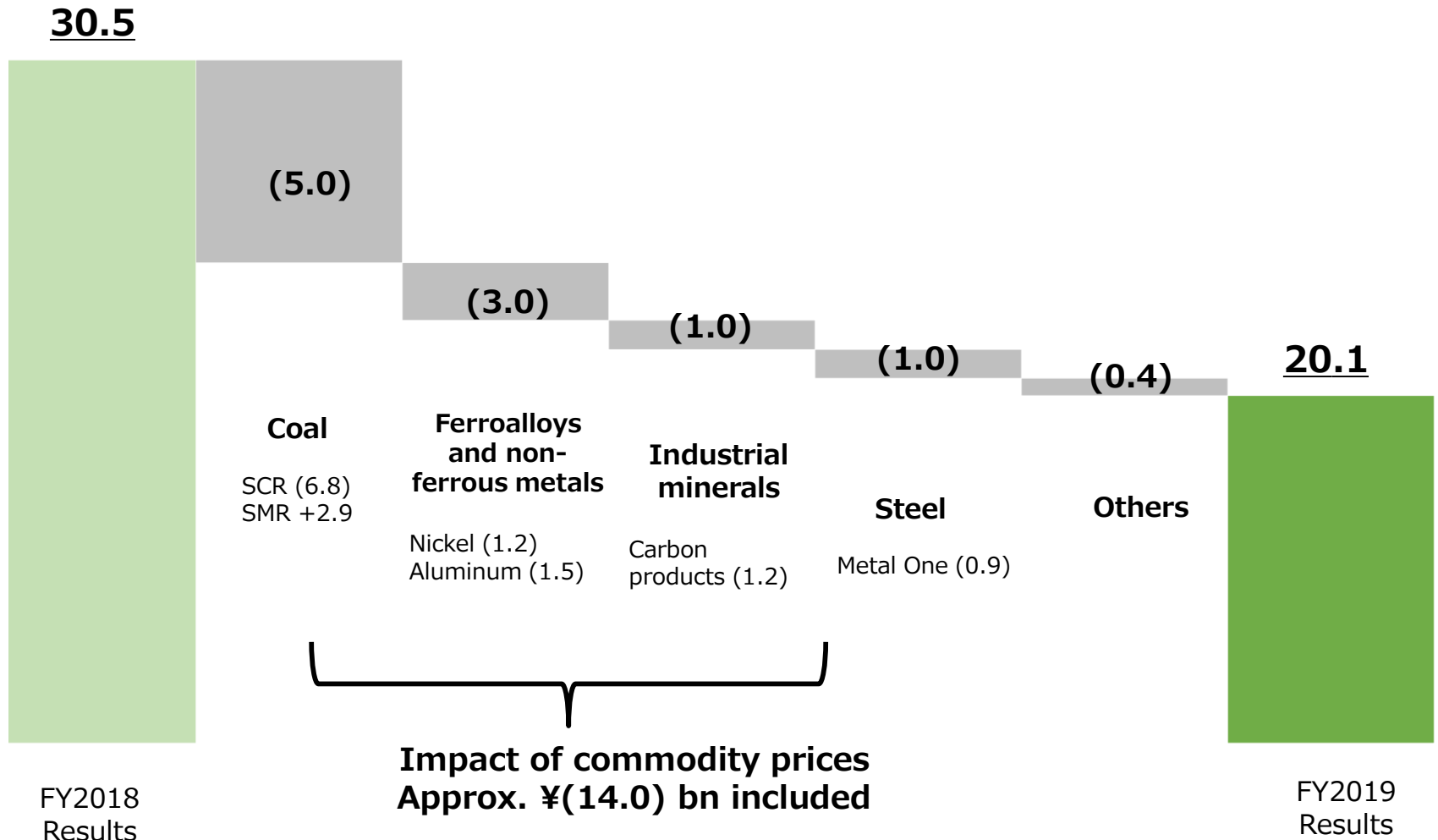
Change in Coal Sales Volume



Metals & Mineral Resources

Year on Year Main Factors Behind Difference

(Billions of Yen)



Chemicals

Profit for the year (attributable to owners of the Company)/ROA



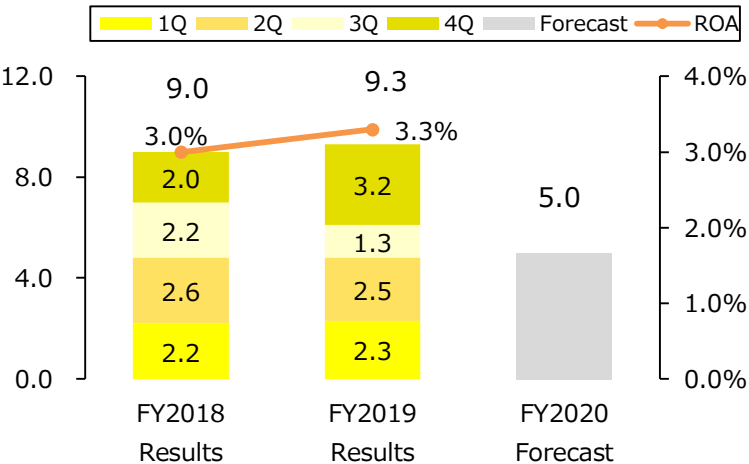
【Factor behind year on year change in earnings】

Relatively unchanged year on year

【Progress Overview】

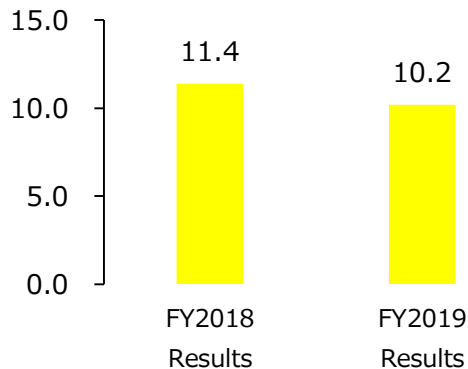
Decrease greatly due to poor market conditions and reduced sales volumes for chemical products

(Billions of Yen)

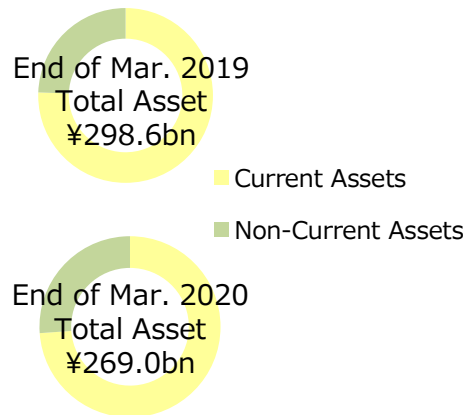


Core operating cash flow

(Billions of Yen)

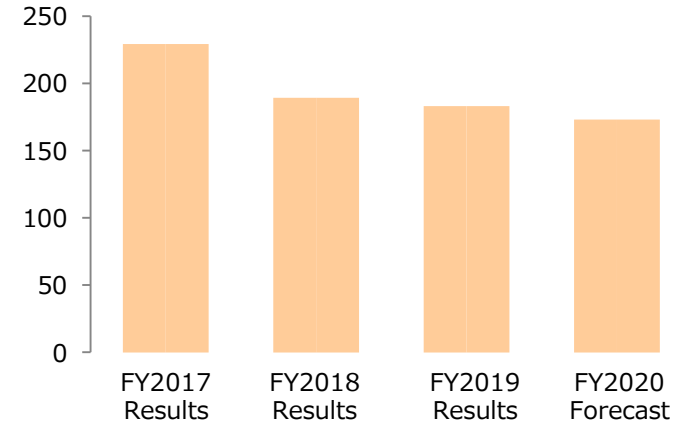


Asset Structure



Sales Volume for Methanol

(10,000 ton)



Foods & Agriculture Business

Profit for the year (attributable to owners of the Company)/ROA



【Factor behind year on year change in earnings】

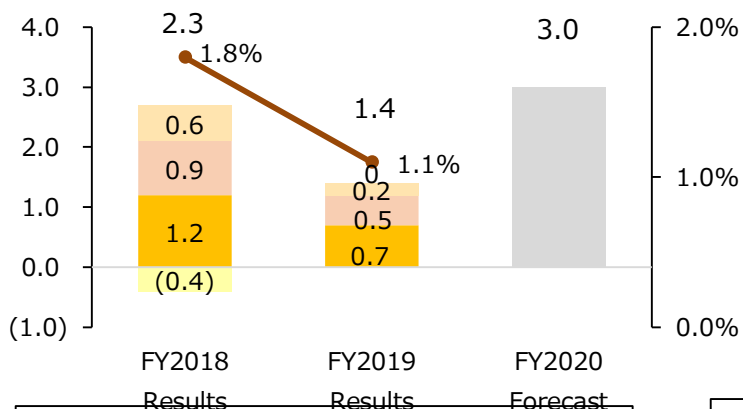
Decreased due to impairment loss on domestic marine products business and lower sales volumes in overseas fertilizer businesses stemming from unseasonable weather and reduced demand

【Progress Overview】

Increase, despite ongoing stagnancy in overseas fertilizer businesses, as a result of absence of one-time losses recorded in the previous fiscal year

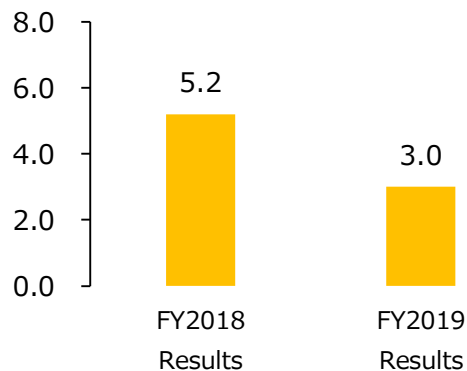
(Billions of Yen)

1Q 2Q 3Q 4Q Forecast ROA

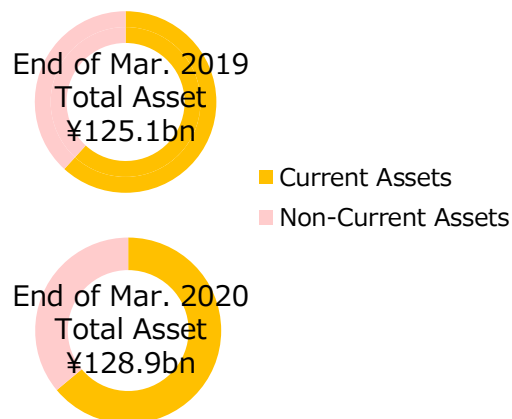


Core operating cash flow

(Billions of Yen)



Asset Structure



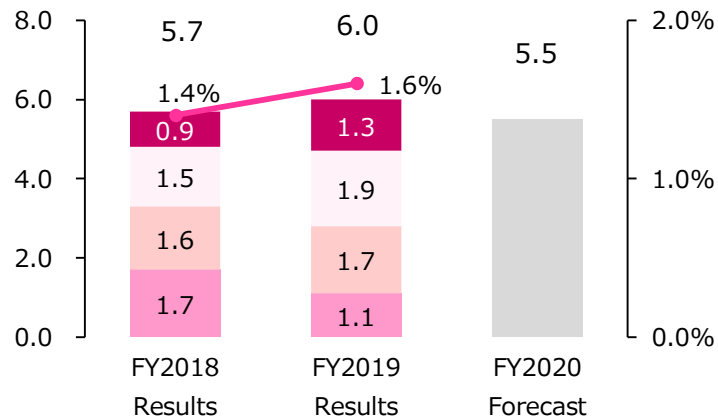
Retail & Lifestyle Business



Profit for the year (attributable to owners of the Company)/ROA

(Billions of Yen)

1Q 2Q 3Q 4Q Forecast ROA



【Factor behind year on year change in earnings】

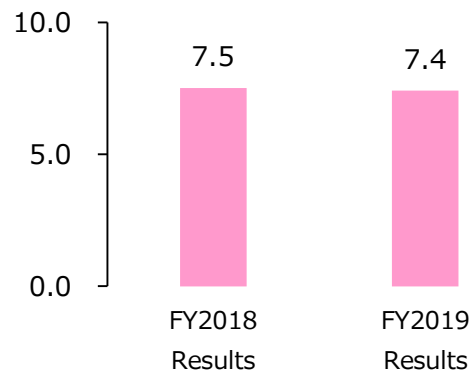
Relatively unchanged year on year

【Progress Overview】

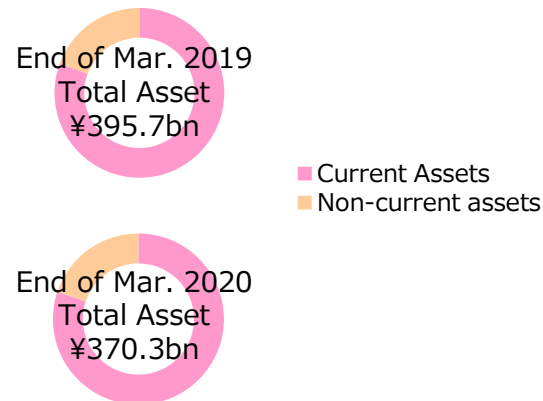
Earnings projected to be generated by domestic and overseas subsidiaries despite halted operation of certain commercial facilities and reduced demand in textile and other businesses

Core operating cash flow

(Billions of Yen)

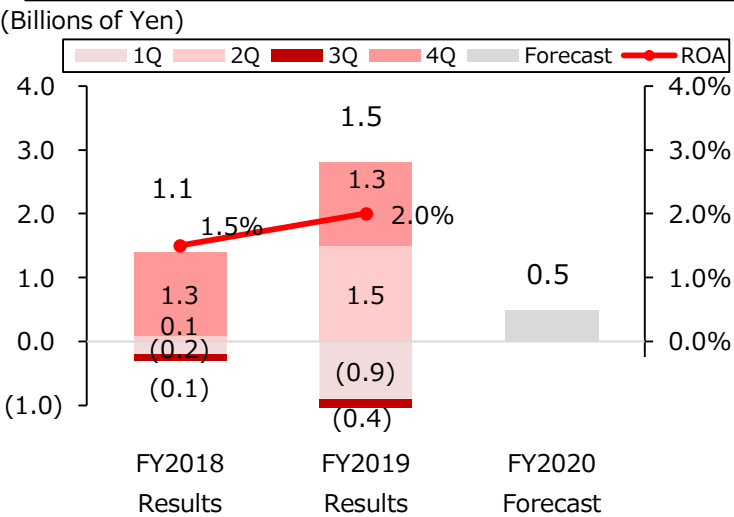


Asset Structure



Industrial Infrastructure & Urban Development

Profit for the year(attributable to owners of the Company)/ROA



【Factor behind year on year change in earnings】

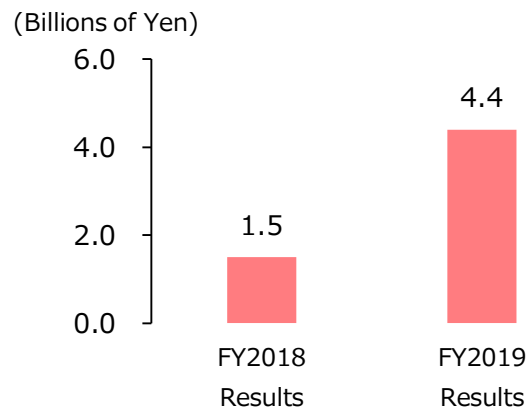
Increased due to higher number of overseas industrial parks delivered

【Progress Overview】

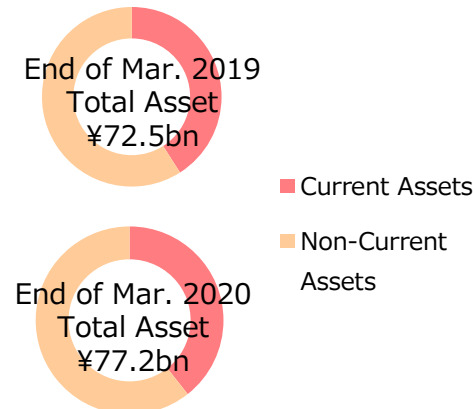
Decrease in turn overs of overseas industrial parks and domestic real estate held for sales purposes



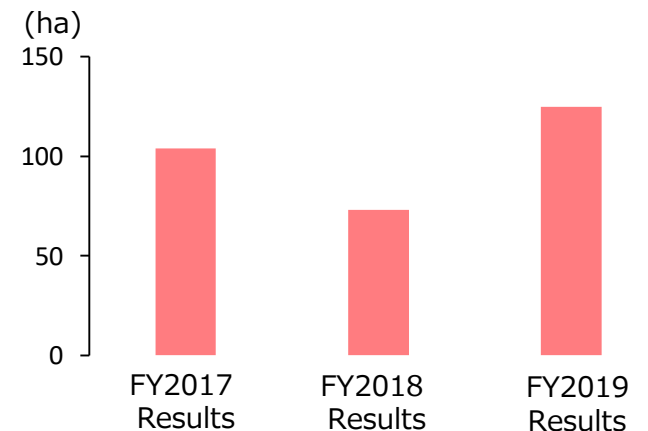
Core operating cash flow



Asset Structure



Area of Turned Over Industrial Parks



Profit or Loss of Major Subsidiaries and Associates

(Billions of Yen)

Segment	Company	Subsidiary/ Associate	FY2018	FY2019	Difference
■ Automotive	Sojitz Autrans Corporation	Subsidiary	0.5	0.7	0.2
■ Automotive	Sojitz Automotive Group, Inc	Subsidiary	1.1	1.2	0.1
■ Automotive	Sojitz de Puerto Rico Corporation	Subsidiary	1.6	0.9	(0.7)
■ Automotive	Subaru Motor LLC	Subsidiary	(0.1)	(0.2)	(0.1)
■ Automotive	Sojitz Quality, Inc	Subsidiary	0.4	0.1	(0.3)
■ Aerospace & Transportation Project	Sojitz Aerospace Corporation	Subsidiary	1.0	1.1	0.1
■ Aerospace & Transportation Project	Sojitz Marine & Engineering Corporation	Subsidiary	0.6	0.6	0.0
■ Machinery & Medical Infrastructure	Sojitz Machinery Corporation	Subsidiary	1.2	1.5	0.3
■ Machinery & Medical Infrastructure	Sojitz Hospital PPP Investment B.V.	Subsidiary	2.0	3.5	1.5
■ Machinery & Medical Infrastructure	First Technology China Ltd.	Subsidiary	0.5	0.5	0.0
■ Energy & Social Infrastructure	Nissho Electronics Corporation	Subsidiary	1.2	1.2	0.0
■ Energy & Social Infrastructure	Tokyo Yuso Corporation	Subsidiary	0.3	0.4	0.1
■ Energy & Social Infrastructure	LNG Japan Corporation	Associate	4.0	3.9	(0.1)
■ Metals & Mineral Resources	Sojitz Coal Resources Pty. Ltd.	Subsidiary	8.3	1.5	(6.8)
■ Metals & Mineral Resources	Sojitz Moolarben Resources Pty. Ltd.	Subsidiary	4.0	6.8	2.8
■ Metals & Mineral Resources	Sojitz Resources (Australia) Pty. Ltd.	Subsidiary	1.6	0.3	(1.3)
■ Metals & Mineral Resources	Japan Alumina Associates (Australia) Pty. Ltd.	Associate	0.6	0.4	(0.2)
■ Metals & Mineral Resources	Metal One Corporation	Associate	10.1	9.2	(0.9)

*1 Associate = Equity in earnings

*2 The above figures are for profit (loss) for the period (attributable to owners of the Company), which is calculated in accordance with IFRS and therefore may differ from past figures released by these companies.

Profit or Loss of Major Subsidiaries and Associates

(Billions of Yen)

Segment	Company	Subsidiary/ Associate	FY2018	FY2019	Difference
■ Chemicals	Sojitz Pla-Net Corporation	Subsidiary	1.4	1.0	(0.4)
■ Chemicals	PT. Kaltim Methanol Industri	Subsidiary	4.8	3.3	(1.5)
■ Chemicals	solvadis deutschland gmbh	Subsidiary	0.4	0.5	0.1
■ Foods & Agriculture Business	Atlas Fertilizer Corporation	Subsidiary	0.5	0.7	0.2
■ Foods & Agriculture Business	Japan Vietnam Fertilizer Company	Subsidiary	0.4	0.2	(0.2)
■ Retail & Lifestyle Business	Sojitz Building Materials Corporation	Subsidiary	0.4	0.1	(0.3)
■ Retail & Lifestyle Business	Sojitz Foods Corporation	Subsidiary	2.4	2.3	(0.1)
■ Retail & Lifestyle Business	Sojitz Fashion Co., Ltd.	Subsidiary	0.7	0.7	0.0
■ Industrial Infrastructure & Urban	Sojitz New Urban Development Corporation	Subsidiary	0.5	0.5	0.0

*1 Associate = Equity in earnings

*2 The above figures are for profit (loss) for the period (attributable to owners of the Company), which is calculated in accordance with IFRS and therefore may differ from past figures released by these companies.

For information on the following listed companies, please refer to their respective corporate websites.

Energy & Social Infrastructure Division: SAKURA Internet Inc. (equity-method associate)


Chemicals Division: Pla Matels Corporation (consolidated subsidiary)

Foods & Agriculture Business Division: Fuji Nihon Seito Corporation (equity-method associate), Thai Central Chemical Public Company Limited (consolidated subsidiary)

Retail & Lifestyle Business Division: JALUX Inc. (equity-method associate), Tri-Stage Inc. (equity-method associate)

Industrial Infrastructure & Urban Development Division: PT. Puradelta Lestari. Tbk (equity-method associate)

【Supplemental Data】
Ⅲ. Summary of Financial Results



Summary of Profit or Loss (Results)

(Billions of Yen)	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Net sales (JGAAP)	5,166.2	3,844.4	4,014.6	4,321.7	3,934.5	4,046.6	4,105.3	4,006.6	3,745.5	4,209.1	–	–
Revenue	–	–	–	2,006.6	1,747.8	1,803.1	1,809.7	1,658.1	1,555.3	1,816.5	1,856.2	1,754.8
Gross profit	235.6	178.2	192.7	217.1	187.2	198.2	197.7	180.7	200.7	232.4	241.0	220.5
Operating profit	52.0	16.1	37.5	57.5	25.5	23.7	33.6	29.2	51.6	59.8	–	–
Share of profit (loss) of Investments accounted for using the equity method	2.5	9.2	19.3	16.3	15.8	31.0	28.6	23.2	12.7	25.1	27.8	24.9
Profit before tax	37.1	18.9	39.3	58.5	28.1	44.0	52.6	44.3	58.0	80.3	94.9	75.5
Profit for the year attributable to owners of the Company	19.0	8.8	16.0	(1.0)	13.4	27.3	33.1	36.5	40.8	56.8	70.4	60.8
Core earnings	48.3	14.4	41.9	65.8	38.5	68.0	66.3	41.6	54.2	90.8	93.2	68.4
ROA	0.8%	0.4%	0.7%	(0.0)%	0.6%	1.2%	1.5%	1.7%	1.9%	2.5%	3.0%	2.7%
ROE	4.8%	2.6%	4.7%	(0.3)%	3.8%	6.5%	6.5%	6.8%	7.6%	10.0%	11.7%	10.2%

(*) The Group adopted IFRSs from the fiscal year ended March 31, 2013. The figures above are based on Japanese GAAP for FY2008 through FY2010.

Summary of Balance Sheets (Results)

(Billions of Yen)	End of Mar. 2009	End of Mar. 2010	End of Mar. 2011	End of Mar. 2012	End of Mar. 2013	End of Mar. 2014	End of Mar. 2015	End of Mar. 2016	End of Mar. 2017	End of Mar. 2018	End of Mar. 2019	End of Mar. 2019
Total assets	2,313.0	2,160.9	2,117.0	2,190.7	2,150.1	2,220.2	2,297.4	2,056.7	2,138.5	2,350.4	2,297.1	2,230.3
Total equity	319.0	352.4	330.0	330.0	382.6	459.9	550.9	520.3	550.5	586.4	618.2	579.1
Equity ratio	13.8%	16.3%	15.6%	15.1%	17.8%	20.7%	24.0%	25.3%	25.7%	25.0%	26.9%	26.0%
Net interest-bearing debt	865.3	737.8	700.6	676.4	643.3	640.2	629.6	571.6	611.1	603.5	584.7	613.2
Net DER (times)	2.7	2.1	2.1	2.0	1.7	1.4	1.1	1.1	1.1	1.0	1.0	1.1
Risk assets (vs. Total equity, times)	350.0 1.1	320.0 0.9	310.0 0.9	330.0 1.0	340.0 0.9	350.0 0.8	320.0 0.6	330.0 0.6	320.0 0.6	350.0 0.6	360.0 0.6	380.0 0.7
Current ratio	141.7%	152.7%	142.2%	142.5%	152.1%	162.8%	169.5%	170.1%	171.3%	162.7%	157.1%	161.4%
Long-term debt ratio	66.7%	74.3%	72.3%	73.3%	76.0%	78.7%	79.9%	81.8%	82.9%	87.5%	82.9%	79.1%

(*) The Group adopted IFRSs from the fiscal year ended March 31, 2013. The figures above are based on Japanese GAAP for End of Mar. 2009 through 2011. Under JGAAP, Total equity is calculated as Total net assets – Minority interests.

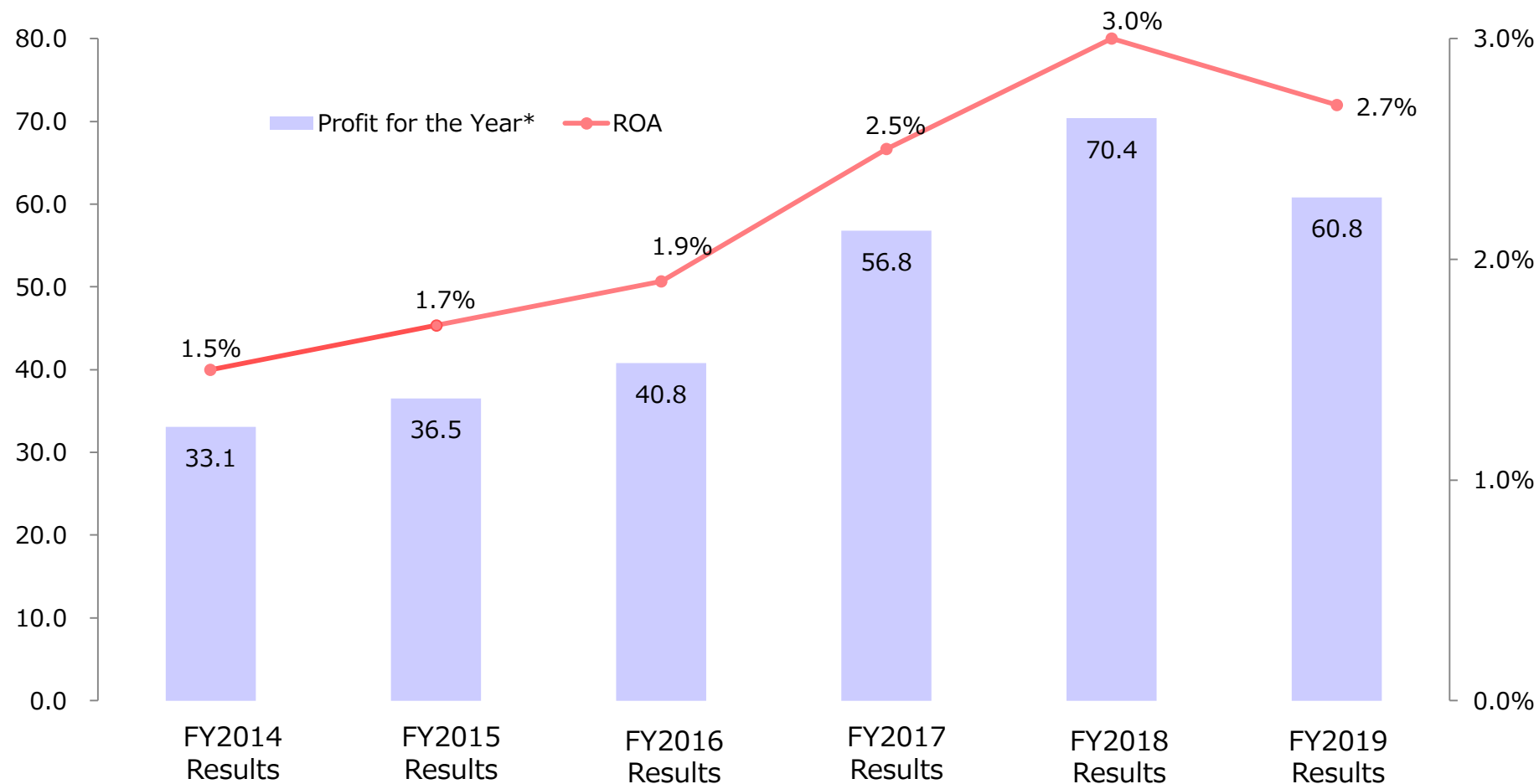
Summary of Cash Flow (Results)

(Billions of Yen)	End of Mar. 2009	End of Mar. 2010	End of Mar. 2011	End of Mar. 2012	End of Mar. 2013	End of Mar. 2014	End of Mar. 2015	End of Mar. 2016	End of Mar. 2017	End of Mar. 2018	End of Mar. 2019	End of Mar. 2019
Core cash flow	-	-	-	-	-	-	-	18.3	5.5	(56.7)	63.1	1.3
Free cash flow	86.5	135.7	48.0	46.4	43.4	22.5	25.3	66.0	(31.3)	12.4	54.3	4.8
Core operating cash flow	-	-	-	-	-	-	-	60.0	59.4	82.9	79.1	80.2
Cash flow from operating activities	103.7	107.2	67.9	88.7	55.1	47.0	39.1	99.9	0.9	98.8	96.5	40.5
Cash flow from investment activities	(17.2)	28.4	(19.9)	(42.3)	(11.7)	(24.5)	(13.8)	(33.9)	(32.2)	(86.4)	(42.2)	(35.7)
Cash flow from financing activities	(6.0)	(102.6)	(72.1)	(29.5)	(56.2)	(30.9)	(42.6)	(114.7)	(4.0)	(13.1)	(74.9)	(12.2)
Investments and loans	100.0	27.0	73.0	53.0	44.0	54.0	57.0	71.0	86.0	158.0	91.0	81.0

※ Core cash flow = Core operating cash flow + Investing cash flow (including asset replacement) – Dividends paid – Purchase of treasury stock (Post-adjustment net cash provided by (used in) investing activities is net cash provided by (used in) investing activities after adjustment for changes in long-term operating assets, etc.)

Summary of Profit or Loss

(Billions of Yen)

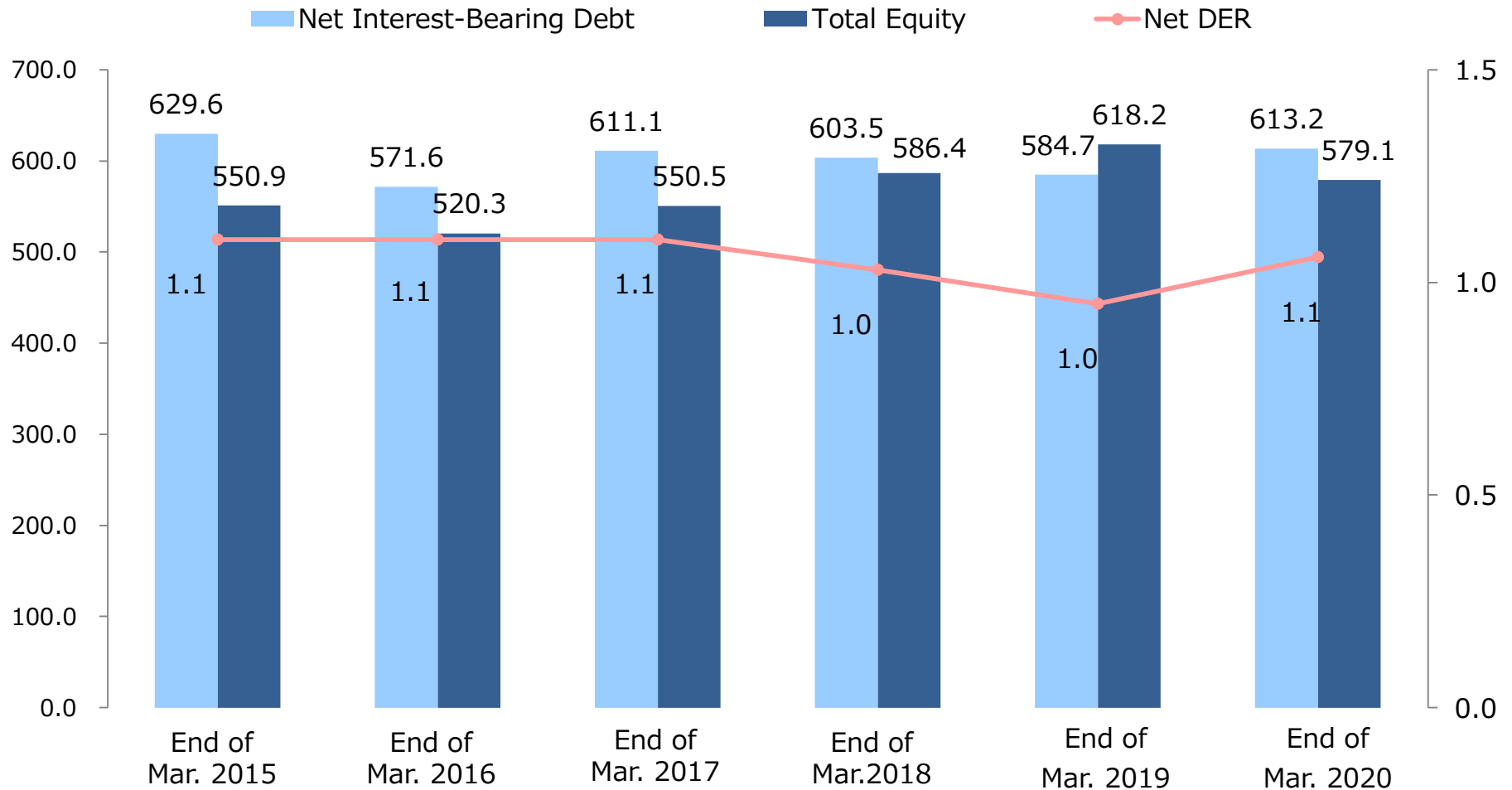


* Attributable to owners of the Company

Summary of Balance Sheets

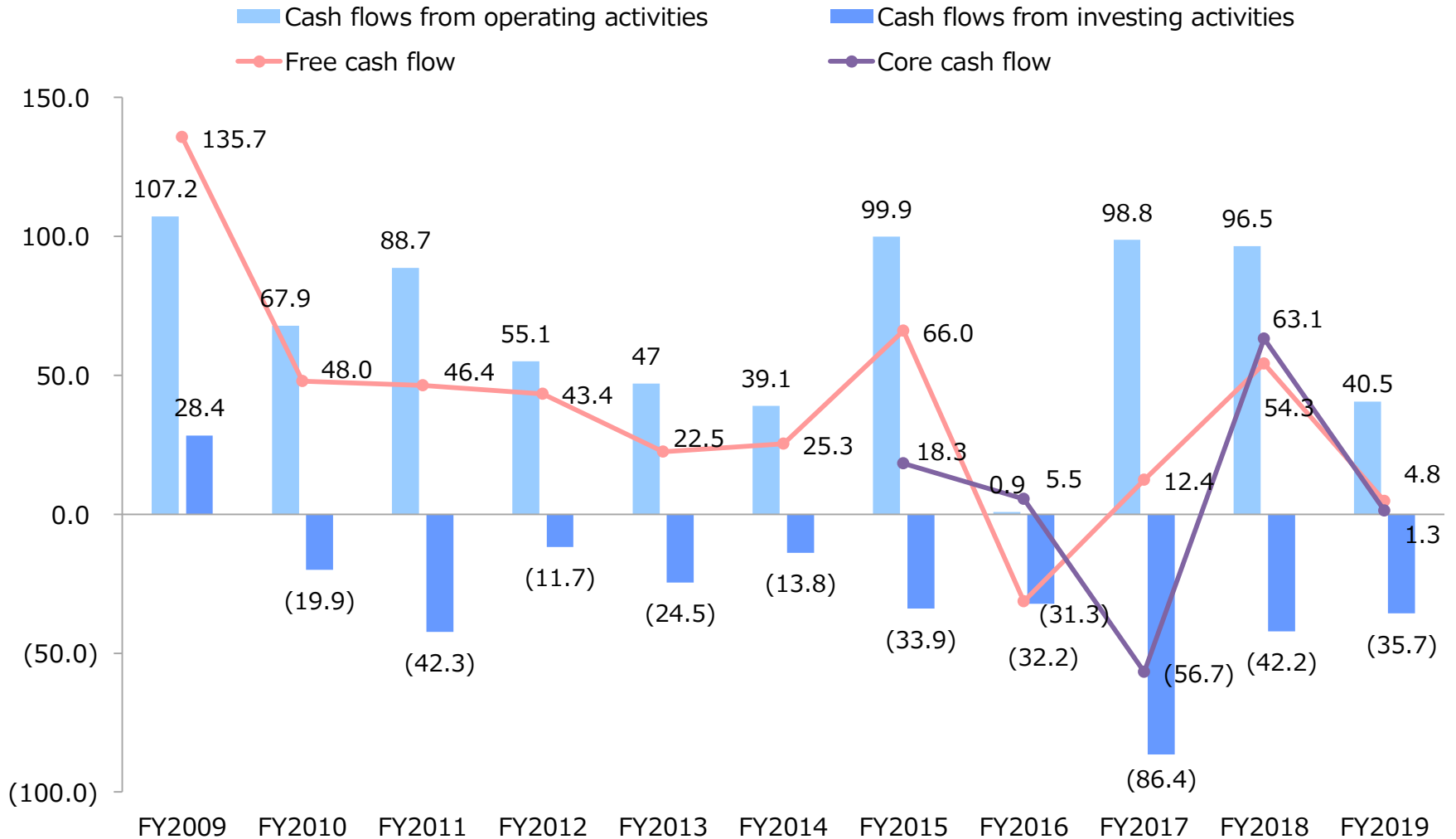
(Billions of Yen)

(Times)



Summary of Cash Flow

(Billions of Yen)





sojitz

New way, New value